



PRESS RELEASE

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For Information Contact Public Affairs

HARRIET BERNICK

Telephone: (602) 514-7736

Pager: (602) 356-0004

SCOTTSDALE WOMAN CHARGED WITH INVESTMENT SCAMS

PHOENIX, ARIZONA -- The United States Attorney's Office for the District of Arizona announced that on October 22, 2003, a federal grand jury at Phoenix, Arizona, returned an eight count indictment against JEANETTE B. WILCHER, born on January 7, 1945, of Scottsdale, Arizona.

The indictment alleges that WILCHER, who was arrested October 23rd and will be arraigned October 24th, engaged in two different fraud schemes. In both schemes, she operated as Life Foundation Trust ("LFT"), an organization held out to be a provider of food to the hungry, clothes and shelter to the needy and education to the unlearned. In one scheme, she is accused of causing an elderly widow, to make a \$3.3 million investment in what was touted as a high yield investment trading program that would return 4% per week for 40 weeks on various trades and was to be secured by bank notes. At the end of the 40 weeks, the victim's money was supposed to be returned to her. The indictment alleges, however, that WILCHER did not use the victim's money for trades. Rather, WILCHER diverted \$2,186,500 of the funds to her own uses, including over \$700,000 toward the purchase of a house at 10758 E. Laurel Lane in Scottsdale.

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In the second scheme, the indictment charges that WILCHER caused the price of stock in Hitsgalore.com, Inc., an internet search service, to be artificially inflated so that shares of the stock that she obtained under false pretenses would rise. The indictment alleges that WILCHER agreed to invest \$10 million in Hitsgalore in exchange for 2 million of its shares. A series of press releases issued by Hitsgalore, which quoted WILCHER, followed, stating such things as: LFT had made a \$10 million investment in Hitsgalore; the 2 million shares issued to LFT could not be sold for a year, and; LFT had over a \$1 billion in assets. The press releases failed to state, however, that WILCHER did not have to give the \$10 million to Hitsgalore for one year, that Hitsgalore actually issued 250,000 shares stock to LFT that could be sold at any time and that LFT did not have \$1 billion in assets. The market price for Hitsgalore shares rose after the first series of releases. WILCHER sold 190,000 shares of Hitsgalore over six weeks (during a period when the market began to fall back), earning \$1,024,418.50 in the process.

The federal indictment charges WILCHER with committing 2 counts of wire fraud, in violation of Title 18 of the United States Code, Section 1343, 3 counts of promotional money laundering, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i), and 3 counts of transactional money laundering, in violation of Title 18, United States Code, Section 1957. It also seeks forfeiture of the gains that WILCHER obtained through the criminal activities alleged in the indictment.

A conviction for wire fraud carries a maximum penalty of 5 years, a \$250,000 fine or both; a conviction for promotional money laundering carries a maximum penalty of 20 years, a fine of \$500,000 or both, and; a conviction for transactional money laundering carries a maximum penalty of 10 years, a \$250,000 fine, or both.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

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The investigation preceding the indictment was conducted by special agents of the Federal Bureau of Investigation and Internal Revenue Service.

The prosecution is being handled by David Eisenberg, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-03-1098
RELEASE NUMBER: 2003-183

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